BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES

DOCKET NO. R2000-1

FIRST INTERROGATORIES OF E-STAMP CORPORATION TO UNITED STATES POSTAL SERVICE WITNESS MICHAEL W. MILLER (USPS-T24-1-2)

E-Stamp Corporation (E-Stamp) requests United States Postal Service to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

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Counsel for E-Stamp Corporation

Dated: March 8, 2000

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E-STAMP/USPS-T24-1

On page 18 of your testimony there is a table listing all of the work-sharing related cost savings by various rate categories. That table shows that non-automated presort letters have total mail processing unit costs of 10.337¢, .091¢ less than bulk meter mail letters. This table also shows that, in the case of automation basic letters, there are work-sharing related savings of 4.919¢ per piece compared to bulk meter mail letters (including .901¢ of delivery cost savings).

(a) In the case of non-automation presort letters, where the work-sharing savings is shown to be .091¢ per piece compared to metered mail, is all of that .091¢ savings attributable to the fact that the letter is presorted? Please explain any negative answer.

(b) Do these numbers suggest that, compared to a bulk meter mail letter, a basic automated presort letter costs 4.919¢ less per piece due solely to the fact that the letter is automated and is basic presorted? Please explain any negative answer

(c) If the answers to (a) and (b) above are in the affirmative, does it also follow that, of the work-sharing related savings of 4.919ϕ per piece for automation basic letters, all but $.091\phi$, or 4.828ϕ , of the 4.919ϕ savings is attributable to the fact that it is automated, and only $.091\phi$ of the 4.919ϕ is attributable to the fact that it is presorted? Please explain any negative answers.

(d) USPS witness Campbell, on page 40 of his testimony, states that QBRM mail costs 3.38¢ per piece less than handwritten single piece letters; and in response to

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E-Stamp/USPS-T29-1, states that the cost difference between a QBRM piece and a metered mail piece is 1.75ϕ . If these responses are correct, then this would mean that the difference between a handwritten piece and a piece of metered mail is 1.63ϕ (3.38ϕ minus 1.75ϕ). If you have confirmed in (c) above that the cost avoidance due solely to automation, compared to a metered mail piece, is 4.828ϕ per piece, then is it not the case that the cost difference between a handwritten single piece letter and an automated basic letter, due solely to the fact that it is automated, would be 6.458ϕ per piece (4.828ϕ plus 1.63ϕ)? Please explain any negative answer.

E-STAMP/USPS-T24-2

In Appendix I, page 1, you have listed a summary of First Class letters wherein you compare Bulk Metered Mail letters as a benchmark to the various presort categories of First Class letters, and estimate the work sharing related savings for each category. Please provide the same information for the non-automation presort letters and automation basic presort letters, using a benchmark of handwritten letters rather than Bulk Metered Mail letters.

CERTIFICATE OF SERVICE

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I hereby certify that I have served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.

Timothy J. May

Dated: March 8, 2000